

BEFORE
THE PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA
DOCKET NO. 2013-199-WS

IN RE: Application of United Utility Companies,)	REBUTTAL TESTIMONY
Inc. for Adjustment of Rates and Charges)	
and Modifications to Certain Terms and)	OF
Conditions for the Provision of Water)	
and Sewer Service)	PATRICK FLYNN
_____)	

1 **Q. ARE YOU THE SAME PATRICK FLYNN THAT HAS PREFILED DIRECT**
2 **TESTIMONY IN THIS CASE?**

3 **A.**Yes, I am.
4

5 **Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY IN THIS**
6 **PROCEEDING?**

7 **A.**The purpose of my rebuttal testimony is to respond on behalf of United Utility
8 Companies, Inc., to the testimony of ORS witness Dawn A. Hipp.
9

10 **Q. HAVE YOU REVIEWED THE PRE-FILED TESTIMONY OF MS. DAWN A**
11 **HIPP ON BEHALF OF ORS IN THIS MATTER?**

12 **A.**Yes, I have reviewed her testimony.
13

14 **Q. MS. HIPP MENTIONED DHEC’S WASTEWATER SYSTEM EVALUATIONS**
15 **OF CERTAIN UUCI TREATMENT PLANTS, COULD YOU PROVIDE THE**

1 **COMMISSION WITH ADDITIONAL INFORMATION REGARDING THOSE**
2 **INCIDENTS?**

3 **A.** **Yes.** Ms. Hipp's testimony regarding the measurement of the Trollingwood
4 WWTP's effluent flow as being "Unsatisfactory" did not note that United replaced the
5 original 90-degree V-notch weir with a 22-degree V-notch weir in 2012 as requested by
6 DHEC in order to reduce measurement error. The 90-degree weir was installed with
7 DHEC approval when the plant was designed and built many years ago. In this instance,
8 neither the original weir nor the smaller weir negatively impacted the treatment or
9 disinfection of an average flow of 6,000 gallons per day through the Trollingwood
10 oxidation pond that is rated for 90,000 gallons per day. After receiving United's response
11 to its Compliance Evaluation Inspection Report concerning the effluent flow, DHEC took
12 no further action after receiving United's response.

13 Regarding Ms. Hipp's reference to Canterbury WWTP, the "Unsatisfactory"
14 rating of the plant's effluent was due to an elevated chlorine residual reflecting a
15 chemical mixer that malfunctioned on the day of the inspection, which was immediately
16 addressed by United's operator upon discovery. The DHEC inspector erroneously
17 identified that United was responsible for the removal of the vegetation and debris
18 present in the receiving stream on the day of the inspection. In actuality, United is
19 responsible only for the facilities and appurtenances that it controls as defined in Part
20 II.E.1 of Canterbury's NPDES operating permit that was referenced by the DHEC
21 inspector. Nevertheless, United took immediate steps to remove accumulated overgrowth
22 as requested. No further action was taken by DHEC regarding either Canterbury issue.

1 Regarding the Valleybrook WWTP's evaluation in 2013, an adjustment was made
2 to a tubing clamp to rectify the cause of flow measurement error that was noted by the
3 inspector. No further action was taken by DHEC on this matter after receiving United's
4 response to the Compliance Sampling Inspection report.

5 Regarding the North Greenville University WWTP's evaluation in 2013, United's
6 WWTP receives sporadic slugs of atypical raw sewage that negatively impacts the
7 treatment process and which appear to originate from somewhere in the collection system
8 owned by the university. Efforts to solicit information and cooperation from the
9 university to determine the specific source have been very unsuccessful. No further
10 action was taken by DHEC on this matter after receiving United's response to the
11 NPDES Compliance Inspection Report.

12 **Q. WHAT IS THE COMPANY'S RESPONSE TO THE ORS'S OBJECTION TO ITS**
13 **PROPOSED PUMPING CHARGE?**

14 **A.** United proposed a pumping charge be established that reflects the cost incurred
15 by United to remove excessive solids that may have built up in a customer's interceptor
16 tank over a period of years that must be periodically removed in order to avoid a sewer
17 backup into the home. United proposed to charge the customer the actual cost incurred
18 by United in pumping the tank, but a minimum of \$150. The ORS, through the Direct
19 Testimony of Dawn Hipp, objects to the pumping charge, and suggests that if the
20 Commission were to approve a pumping charge, that a fixed dollar amount should be set
21 for pumping the tank. The basis for the ORS's objection is that the Company has not
22 provided it a "specific breakdown of what comprised these costs estimates" therefore not
23 allowing the ORS to determine whether the charge is reasonable. Direct Testimony of

1 Dawn M. Hipp, p. 9. However, the ORS's objection does not take into account that the
2 pumping charge is essentially a pass-through charge of the actual cost of pumping the
3 interceptor tank. A fixed amount, as suggested by the ORS if the Commission were to
4 impose a charge, would risk over-charging or undercharging for the pumping. The
5 minimum fee proposed by United is based on the company's experience with arranging
6 for this service.

7 **Q. WHAT IS UNITED'S RESPONSE TO THE ORS'S RECOMMENDATION**
8 **REGARDING THE COMPANY'S PROPOSED TAMPERING CHARGE?**

9 **A.** The ORS has proposed that the company be allowed to recover the actual cost of
10 repairing equipment, water mains, water lines, sewage pipes, elder valves, meters, curb stops,
11 service lines, valves or other facilities, damaged or tampered with by a customer, up to a
12 maximum charge of \$250. United does not object to this proposal. United would point out
13 to the Commission that, under this modification, the company would continue to recover the
14 cost of repairing or replacing metering equipment damaged by tampering without limitation
15 according to S.C. Code Reg. 103-733.5(d).

1

2 **WHAT IS THE COMPANY'S RESPONSE TO THE ORS'S OBJECTION TO ITS**

3 **PROPOSED LEAK MITIGATION PROGRAM?**

4 **A.** The purpose of the leak mitigation program is to offer customers who experience water leaks
5 in their lines some relief from unexpected high water bills. United has never had such a
6 program in place, so the exact amount required to operate the program is unknown.
7 Therefore, the Company settled on 0.5% of its water service revenues as a starting point,
8 which could be adjusted in subsequent rate cases based on experience. In United's case, this
9 amount would be less than \$500.00 per year based on the revenues which would be generated
10 after the adjustment described in Kirsten Markwell's rebuttal testimony. The program could
11 provide an effective way of avoiding unnecessary regulatory expenses caused by customers
12 filing complaints in an effort to seek relief from a high bill caused by a leak on their
13 premises. The proposed Leak Mitigation Program offers a mechanism by which funds
14 collected under this program would be posted to a segregated account and then applied on
15 a case by case basis to customer accounts in order to reduce the balance due from
16 customers who experience a water leak on their property or otherwise incur an
17 unexpected high water bill. In the current circumstance, where there is no such program
18 in place, requests for such relief made to United, if granted, would only exacerbate the
19 utility's cost of operating its system. But if a nominal amount was collected each month
20 from all 101 customers, the customers would be able to gain some relief from an
21 unexpected one-time event by the sharing of risk among the customer base.

22 A possible approach to the implementation of this program could include the
23 following attributes:

- Funding of the Leak Mitigation Fund would be identified as a separate line item on each water customer's monthly bill;
- Requests for relief from the fund would be limited to no more than once in any five year period by a United customer at a specific premises;
- Funds would only be applied to a customer's water bill and not to any sewer bill;
- The maximum amount of relief applied to a specific customer's bill would be the lesser of: 1) the difference between the current water bill and the applicant's annual average water bill, or 2) \$250.00;
- The fund balance must not be less than \$250.00;
- Fund activity would be reported on an annual basis in conjunction with the utility's submittal of its annual report and in a format established by the Commission.
- Fund revenue that exceeds expenses would be treated as CIAC with the end of year balance moved to the CIAC account.

Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?

A. Yes, it does.